

**REMARKS**

Claims 1, 13-16, 18, 20, 22, 23, 30, 31, 33-36, 44-48, 51 and 55-79 are pending in the application. Claims 1, 13-16, 18, 20, 22, 23, 30, 31, 33-36, 44-48, 51 and 55-79 stand rejected under 35 U.S.C. 103(a).

**Claim Amendments**

The foregoing amendment clarifies the expression of the invention. Support for the amendment is found throughout the specification and in the original claims as detailed below. Accordingly, no new matter has been added. New claims 82-84 focus on features of Applicant's method and system for bill payment services, such as establishing a condition for non-optionally handing off the customer to a customer service representative by the bill payment application for a non-automated verification of the customer's identification by the customer service representative as a security measure, which condition consists, for example, of selection by the customer of either an option for a recurring bill payment or an option to add or change a payee, allowing the customer to enter a selection, and handing the customer off to the customer service representative for non-automated verification of the customer's identification, if the condition is met by the customer's selection. In addition, new claims 82-84 focus on features of Applicant's method and system for bill payment services, such as establishing both a common payee list and a customer-specific payee list on the bill payment application and allowing the customer to select the payee for bill payment from either the customer-specific payee list or the common payee list in response to a prompt by the bill payment application.

**Claim Rejections - 35 USC § 103**

Claims 1, 13-16, 18, 20, 22, 23, 30, 31, 33-36, 44-48, 51 and 55-79 stand rejected over Transue et al. in view of Lawlor et al. and further view of Landry. The rejection is respectfully traversed and reconsideration is requested. Transue et al. in view of Lawlor et al. and further view of Landry does not teach or suggest the claimed invention either separately or in combination with one another.

According to Tansue et al., in existing art systems that allow users to pay bills by telephone, billers and users are identified by unique identification numbers, a session is initiated by entering the user's identification number on the keypad, and the user must

also enter the biller's identification number for each bill to be paid, the amount, and a confirmation. However, such systems are limited to the payment of bills to billers that are preregistered with the system, and users must maintain a list of billers and their identification numbers. (Transue et al., Col. 2, lines 22-45).

The Transue et al. approach to solving this problem allows users to audibly record a list of billers and select a biller by speaking the biller's name using voice recognition technology, and the system confirms the selection by playing back the name of the selected biller. (Transue et al., Col. 3, lines 2-14). According to Transue et al., speaker dependent and speaker independent voice recognition are well-known (Transue et al., Col. 6, line 63-Col. 7, line 22). Transue et al. uses speaker dependent voice recognition. (Transue et al., Col. 11, lines 3-5). In the system of Transue et al., the user's spoken words are compared to a voice pattern corresponding to the same words spoken by the same user. (Transue et al., Col. 11, lines 20-30). Transue et al. discloses use of voice recognition and playback technology to allow a user to audibly record the names of billers to be used as confirmation prompts in a bill paying session initiated by phoning the system and selecting a bill payment mode. In bill payment mode, the user selects whether a one-time or recurring bill is to be paid and the payee and amount of the bill. The user specifies the date on which a one-time bill is to be paid or a start and end date for a recurring bill, and the user can review, change or cancel payments, and modify or update the user's custom list of merchants. (Transue et al., Col. 3, lines 15-40).

The bill payment system of Transue et al. audibly prompts a user to enter selections, such as make, review, change or cancel a payment; change or add to the merchant list; hear a description of the service; options to speak to a CSR or change a password; and branches off in subroutines or additional menus, depending on the selection. (Transue et al., Col. 3, line 66-Col. 4, line 20). For example, if the user selects "merchant listings, additions or changes," the user is presented options, including: listening to the merchant list; adding, deleting, or changing a merchant name; speaking to a CSR or selecting a particular language. (Transue et al., Col. 4, line 20-Col. 4, line 40). If the user selects playback of the merchant list, the user's prerecorded list of merchants is played for the user. (Transue et al., Col. 4, lines 41-57). If the user selects add a merchant or delete a merchant, the user is prompted to speak the merchant name, which the system records and plays back and if confirmed by the user, the merchant's name is

added or deleted on the user's merchant list. (Transue et al., Col. 4, line 58-Col. 5, line 36). Transue et al. also uses a time-out to prevent endless looping in the system. (Transue et al., Col. 15, lines 46-62).

In the payment process of Transue et al., if the user selects a one-time bill payment option or recurring bill payment option, the user is prompted to speak the merchant's name, which the system compares to the user's list of pre-recorded merchant names and plays back to the user for confirmation, whereupon the user is prompted to speak or make a keypad entry of an amount and one-time payment date or start and end recurring payment dates and to confirm or cancel the payment. If confirmed, the user's input is logged, and the bill is scheduled for payment. In either case, the user is prompted with options to schedule further one-time and/or recurring payments. (Transue et al., Col. 11, line 32-Col. 13, line 65). In the review, change, or cancel process of Transue et al., if the user selects a review option, past or future payment information is played back for the user. (Transue et al., Col. 14, lines 2-30). If the user selects cancel, the user is prompted to speak the merchant name to be cancelled, and the system plays back the name for the user. If confirmed by the user, the system plays back the amount and date associated with the merchant, and if cancellation is confirmed by the user, cancels the payment. (Transue et al., Col. 14, lines 31-64). If the user selects the change option, the user is prompted to speak the merchant name to be changed, and the system plays back the name for the user. If confirmed by the user, the system plays back the amount and date associated with the merchant, and the user is prompted to enter new bill information. (Transue et al., Col. 14, line 64-Col. 15, line 45). The Transue et al. system can be located at a financial institution connected to a bill payment system or at the bill payment system itself, shared with other financial institutions using, for example, different levels of voice recognition, ANI, and DNIS to obtain the number for an incoming call. (Transue et al., Col. 15, line 63-Col. 16, line 26).

Lawlor et al. sought to address a problem of unavailability of a practical architecture for providing banking services, including paying plural bills to user selected payees, over standard dialup telephone lines via an ATM network (Lawlor et al., Col. 6, lines 30-36). The Lawlor et al. solution uses telephone-based banking terminals dedicated to users for home or office use ("home banking"), in which a central computer system analyzes and processes user payment instructions, e.g., for many discrete financial

transactions at once, stores information about the transactions in a database, and generates and sends electronic funds transfer (EFT) requests to the user's bank via an ATM network/switch. For example, the central computer system debits the user's bank account via a POS debit message passed over the ATM network and electronically transfers the funds to a holding account or bank and then distributes the funds (bill payments) to payees requested by the user. (Lawlor et al., Col. 7, lines 5-24). Payments are processed electronically either immediately or "warehoused" for a short time for transmittal with other user payments to a single payee. Otherwise, bills are paid by paper check. (Lawlor et al., Col. 11, lines 55-60)

The Lawlor et al. terminals include a built-in security device and the capability to transmit encrypted data (Lawlor et al., Col. 8, lines 28-30), and data transmitted from the terminals is encrypted. (Lawlor et al., Col. 9, lines 64-66). The terminals are portable and available twenty-four hours a day, and the list of user's payees can be anyone, rather than a preselected list. (Lawlor et al., Col. 10, lines 44-53). Lawlor et al. provides two level access security consisting of a unique terminal identification automatically transmitted on establishment of a communications link and an ATM type PIN number entered by the user for system verification. (Lawlor et al., Col. 12, lines 55-59). The Lawlor et al. terminal is able to transmit a periodic randomly generated code to the main system, which can verify that this numeric code is correct and assure terminal communication link security. (Lawlor et al., Col. 13, lines 33-37). The operations and coordination of system components in the form of modems, communications protocols, new security codes, and operating software is obviated. (Lawlor et al., Col. 15, lines 16-19). The Lawlor et al. system architecture permits a combination of information access for account balances and account transactions and settlements, such as posting, reconciliation and clearing of funds. (Lawlor et al., Col. 14, lines 3-6).

Central computer 52 of Lawlor et al. is programmed to perform various bill paying and other financial functions and distribute bill paying and other services to remote terminals 54 on demand, using conventional software modules, but new software controlled functions, such as terminal handling and interfaces between terminal handling and conventional software controlled functions, are provided for home banking and bill paying functions. (Lawlor et al., Col. 19, Col. 19, lines 37-53). A reporting function of Lawlor et al. involves calculating and reporting debits and credits and adjusting for

transactions performed on a daily and periodic basis, and system and network activity, reconciliation, interchange settlement and disputed transaction reports are generated. The reporting module 80F is conventional and operates with a conventional database query program that permits analysis and specialized report generation concerning customer transaction profiles. (Lawlor et al., Col. 20, lines 44-53).

When a user selects "bill payment" from the Lawlor et al. system menu, the user terminal displays the user's account balances and a list of payees specified beforehand by the user. The user selects a payee and enters an amount on a keypad 114, and the amount is encrypted and transmitted to the central processor 52, which logs the message and obtains account information from the appropriate payee files, such as payee number, payment instructions/remittance method, payee address and deposit institution, and user account files, such as the user's name, address, user account number at payee, and payment application. Thereafter, a confirmation message is displayed on the user terminal. (Lawlor et al., Col. 33, lines 3-22). The Lawlor et al. system can aggregate and time payments from multiple terminal users to a single payee. If the payment cannot be made by electronic means, a paper check must be cut and mailed. In cases where multiple payments can be made to a single payee, a single "check and list" of payor information is forwarded. A reference number is created for each electronic or paper payment that is used for terminal user and payee servicing. (Lawlor et al., Col. 33, line 63-Col. 34, line 4).

The "bill pay" routine 506 of Lawlor et al. processes bill payments by displaying a list of payees and prompting the user to enter selections at the user terminal. The user is asked by mail or telephone to provide, ahead of time, names, addresses, and account numbers for payees the user wishes to pay electronically or account information for funds transfers. The user defines beforehand the payees for recurring payments on a monthly or other periodic basis, and the information is stored by central computer 52 and accessed to display a list of payees. If desired, the initial listing displayed can constitute a listing of categories of payees rather than individual payees. (Lawlor et al., Col. 42, line 60-Col. 43, line 24). The user terminal of Lawlor et al. displays a different payee on each of four text lines to permit the user to select a desired payee, and the user can scroll through the rest of the user's list of payees. If the user reaches the end of the list without selecting, the display returns to the beginning of the bill process. (Lawlor et al., Col. 43, lines 25-

48). When the user selects a payee, central computer 52 determines whether the user has already paid a bill to this same payee in the current session. The result of a session is an output file containing all of the requested financial and other transactions generated during the session, which is processed by central computer 52 to effect the various user requests after the session is over. If the user selects a payee already paid in the same session, the user is prompted to confirm that a double payment is intended. (Lawlor et al., Col. 43, lines 48-68).

The "bill pay routine" of Lawlor et al. then requests further information from the user regarding the amount to be paid to the payee, and the user is permitted to enter an amount. (Lawlor et al., Col. 44, lines 1-25). The central computer 52 then asks the user whether the bill is to be paid today or in the future. If the user enters "today", the system displays a confirmation for the user. If, on the other hand, the user responds "future", central computer 52 determines through successive user prompts the time period the user wishes the bill to be paid. (Lawlor et al., Col. 44, lines 26-55). If the user selects a displayed month, central computer 52 logs the payment in its output file for eventually adding to a scheduled transaction log to process the payment on the appropriate day. (Lawlor et al., Col. 44, line 56-Col. 45, line 11). Central computer 52 also permits the user to schedule periodic bill payments (Lawlor et al., Col. 45, lines 12-20), in which a routine is called for a valid user inputted date (Lawlor et al., Col. 45, lines 21-25), and if the user requests an invalid date, central computer 52 displays an error message. (Lawlor et al., Col. 45, lines 45-48).

Landry describes existing art single payee negative action bill payment arrangements, in which the payee gets authorization directly from the payor to automatically debit the payor's account at the payor's financial institution on a periodic basis, such as monthly, for a fixed or variable bill amount. (Landry, Col. 4, lines 18- 23). This arrangement only requires payor action for the initial authorization but has limited acceptance, since payors forfeit their control of the timing and amount of the payment. Such existing art systems have no flexibility regarding the payor's ability to determine when the bill is paid, and the payor is relegated to conforming to each individual payee system's predetermined dates and times for payment. The payor has little or no control over each periodic payment, other than to terminate the bill payment service with the payee. Other than to initially authorize a bill payment amount, the payor cannot change

or alter the amount of the payments, and there is no way for the payor to independently reverse a payment that has already been made without the cooperation and/or permission of the payee. (Landry, Col. 4, line 50-Col. 5, line 6).

According to Landry, an existing art modification of this negative action system is to have a third party provide debit messages from multiple payees to multiple payors. In this type of system, the payor authorizes the third party provider to automatically debit the payor's account at the payor's financial institution on a periodic basis (e.g., monthly) for a payee's fixed bill amounts. The provider also establishes a recurring data file of fixed payment amounts along with a corresponding payment date for each bill of each participating payee. Such systems are used to make recurring fixed payments such as preset mortgage payments, installment loan payments, and leasing payments, for example, through the ACH processes. The payor's bill is automatically paid each period, and the payor takes negative action, or no action, to pay such bill. However, such existing art systems still suffer the limitation that payors do not exert control over payment of the payee bills after the initial authorization, and payees cannot modify the recurring data file without the use of manual processes by the third party provider. (Landry, Col. 5, lines 7-26).

Transue et al. and/or Lawlor et al. and/or Landry are devoid of any teaching or suggestion of features of Applicants' claimed invention, including for example, establishing a condition for non-optionally handing off the customer to a customer service representative by the bill payment application for a non-automated verification of the customer's identification by the customer service representative, such as selection by the customer of either an option for a recurring bill payment or adding or changing a payee, and handing the customer off to the customer service representative for non-automated verification of the customer's identification, if the condition is invoked by the customer's selection. Likewise, Transue et al. and/or Lawlor et al. and/or Landry are devoid of any teaching or suggestion of features of Applicants' claimed invention, such as establishing both a common payee list and a customer-specific payee list on the bill payment application, and allowing the customer to select the payee for bill payment from either the customer-specific payee list or the common payee list in response to a prompt by the bill payment application. At least these features of Applicant's claimed invention are clearly patentable over the applied prior art.

The Transue et al. bill payment system is designed and implemented to eliminate the need for users to preregister and maintain a list of billers and their identification numbers by allowing users to audibly record a list of billers and select and confirm a biller by speaking and playing back the biller's name using voice recognition technology. The Lawlor et al. system is designed and implemented to provide banking services, including bill payments from a list of payees preselected and specified beforehand by the user, over standard dialup telephone lines via an ATM network using dedicated telephone-based banking terminals and a central computer system for processing and sending EFT requests to the user's bank via an ATM network/switch. Landry discusses existing art single payee negative action bill payment arrangements, in which the payor authorizes the payee directly or a third party in advance to automatically debit the payor's bank account on a periodic basis, such as monthly, for the payee's fixed bill amounts. The above-noted aspects of Applicant's claimed invention are not disclosed or suggested by Transue et al. and/or Lawlor et al. and/or Landry either separately or in any combination with one another. Specifically, the asserted references fail to provide key features of the invention, and the claimed invention is patentably distinct from the cited references.

Contrary to the Examiner's postulation, Landry does not disclose automatically, non-optionally handing off the customer to a customer service representative by the bill payment application for non-automated verification of the customer's identification, if the customer selects the recurring bill payment or add or change payee options. Rather, what Landry describes are existing art single payee negative action bill payment arrangements, in which the payor authorizes the payee directly or a third party in advance to automatically debit the payor's bank account on a periodic basis for the payee's fixed bill amounts, after which the payor has no control over payment of the payee bills other than to terminate the bill payment service with the payee, and payees cannot modify the recurring data file without the use of manual processes by the third party provider. (Landry, Col. 4, line 50-Col. 5, line 26). Nor does Lawlor et al. disclose a concern for security that would have been enhanced by automatic review by a human operator, as speculated by the Examiner. On the contrary, Lawlor et al. discloses terminals with a built-in security device to transmit encrypted data (Lawlor et al., Col. 8, lines 28-30) (Lawlor et al., Col. 9, lines 64-66), provides two level access security consisting of a



unique terminal identification automatically transmitted on establishment of a communications link and an ATM type PIN number entered by the user for system verification (Lawlor et al., Col. 12, lines 55-59), and uses the terminals to transmit a periodic randomly generated code to the main system, which can verify that the numeric code is correct and assure terminal communication link security (Lawlor et al., Col. 13, lines 33-37), which obviates operations and coordination of system components in the form of modems, communications protocols, new security codes, and operating software (Lawlor et al., Col. 15, lines 16-19).

Further, the Examiner's postulation that, while Transue et al. does not disclose receiving a customer selection to designate a payee from either a customer-specific payee list of the customer or a common payee list provided on the bill payment application, Lawlor et al. discloses both a customer-specific payee list and a common payee list is inaccurate. On the contrary, Lawlor et al. mentions an existing art ATM system under development that allows customers to pay bills to prespecified accounts at a bank ATM or special ATM terminal in a branch bank (Lawlor et al., Col. 5, lines 15-19) and asserts that in the Lawlor et al. system, the user can select any payee for the user's list of payees (Lawlor et al., Col 10, lines 44-53), which the user provides ahead of time by mail or telephone (Lawlor et al., Col. 42, line 60-Col. 43, line 24). The implication in Lawlor et al. is that the existing art ATM system allows the user to prespecify the user's accounts with only a limited number of billers for payment via the bank's ATMs but that the Lawlor et al. system enables the user to prespecify any number of user accounts to add to its list of payees. Transue et al. and/or Lawlor et al. neither disclose nor suggest establishing both a common payee list and a customer-specific payee list on the bill payment application and allowing the customer to select the payee for bill payment from either the customer-specific payee list or the common payee list in response to a prompt by the bill payment application, according to Applicant's claimed invention.

**Version With Markings to Show Changes Made**

**Amendments in the Claims:**

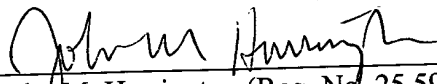
In accordance with 37 CFR 1.121(c)(1)(ii), a marked up version does not have to be supplied for an added or deleted claim.

### Conclusion

In view of the foregoing amendment and these remarks, each of the claims remaining in the application is in condition for immediate allowance. Accordingly, the examiner is requested to reconsider and withdraw the rejection and to pass the application to issue. The examiner is respectfully invited to telephone the undersigned at (336) 607-7318 to discuss any questions relating to the application.

Respectfully submitted,

10/7/02

  
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